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FAMINE CAMPAIGN ROUND UP

With this issue, publication of the FAMINE ROUND-UP shifts to an irregular basis. We shall continue reporting, under this masthead, significant developments in the world food picture. And there will also be mailed, as they become available, to people and organizations whose names appear on FEC mailing keys such as the White House release of November 29, quoting the President's letter to the Famine Emergency Committee and Secretary of Agriculture Anderson's grain report. A copy of this material was mailed to recipients of the ROUND-UP on the date of issuance.

Because it discusses in graphic style the continuing world need for U.S. food, observed personally, we are quoting below the text of a talk by Under Secretary of Agriculture Norris E. Dodd on "Europe and the American Farmer." We believe it is a worthwhile and realistic presentation of the current situation in world food and related problems.

Read the summarizing last paragraph now, even if you have to wait for a more convenient time to read the whole thing.

EUROPE AND THE AMERICAN FARMER

Under Secretary of Agriculture Norris E. Dodd
December 10, 1946

It has now been over a year since the guns of World War II ceased their fire. During that year the Farm Bureau, the Department of Agriculture, and many other interested organizations and individuals have been studying the picture of our postwar agriculture. This study has finally crystallized, I believe, in a fairly clear understanding of the challenge before us. That challenge can be stated in this manner: For four years during which we had unlimited demand, the American farmer produced about one-third more food and fiber than he had normally produced. That gives some measure of our productive capacity.

On the other hand, we know that our own people and the people of other countries need this increased production. It puts American agriculture in a position to help overcome some of the world's hunger.

Stated in these broad terms, the problem seems so simple. But we know it is far from simple. We must face realistically the question of whether the world's economic machinery is adequate to get this food and fiber from those who can produce it to those who need it. This means facing it in terms of poverty and riches, in terms of people with great need and limited buying power, in terms of complicated foreign trade machinery and equally complex foreign trade barriers, and in terms of the programs of national self-sufficiency to which many nations have turned in the past because of the ghawing fear of war. This means realistic appraisal of the situation both at home and abroad. It is a very old question but one that is now faced in the light of a changed world. Whereas we have heretofore faced it as a picture painted by our statisticians of what we might produce, we now face it in terms of our farmers who are rolling this production off the farms and turning to us with the question: What shall we do with it-- not now while the world still is struggling to overcome the threat of famine that followed the war, but in the future when production conditions have returned more nearly to normal? It's a question which we cannot dodge. It is, in my judgment, one of the major agricultural questions of the day.

But some people will say that we over-estimate the problem, that this war-time peak of production was caused by unusual factors, and will to a major extent subside. Will it? Let's look at the factors which brought it about. Will the farmers give up their tractors and other improved machinery and go back to horse and mule power? Not if I know farmers. Besides, there aren't enough horses and mules even if the farmers wanted to use them again. This mechanization was the key to the increase and it is here to stay. Will farmers give up hybrid corn and other improved crop varieties? Will they give up the new methods of insect and disease control? Will they want to decrease their total operations now that they have machines which allow each man to cultivate more acres than ever before?

I think the answer to all those questions is no, although many farmers want to and should go back to a crop rotation system that will give greater protection to the fertility of their soil. Other than for the influence of weather and increased use of fertilizer, most of the factors which gave us this new level of production are here to stay. Studies made by the Department indicate that, barring variations caused by weather, we can expect a continued increase in productivity per acre and per farm worker in the years ahead. I think the feeling of our farmers today is this: "We are willing to shift production from crops now or later in surplus to crops now or later in short supply or needed to protect soil resources. But we are not willing to voluntarily underemploy ourselves." And I think we all agree that that is the healthy attitude. But it places a grave responsibility upon our national leadership.

What's the answer? The answer covers a tremendous field. Part of it is in increasing consumption here at home with the many ramifications of that subject which we are all considering. Part of the answer lies in increasing industrial usage of agricultural products. When we get into operation under the new Research and Marketing Act of 1946 (the Flannagan-Hope Act) the Department expects to be able to provide increasing service in both these directions. Finally, there is the field of foreign consumption of American agricultural products.

Last year our food exports to the various nations of the world totaled over seventeen million tons. That was more than four times our 1935-39 average. How much can we hope to export in the future?

Today I want to address myself to one part of the latter question: What are the prospects for European farm markets today and tomorrow? As many of you know, I recently spent about two months in Europe studying crop conditions and food needs first-hand. Altogether, I surveyed conditions in seventeen countries. I want to report to you what I found there and indicate how it ties into this problem of markets for our farm products. And though I will speak only of Europe, discussions which I have had with representatives of nations in Asia and Africa indicate that the things I'm going to say are in most cases applicable to all war devastated regions.

There is no question but that Europe needs all the food we can possibly send her during the current crop year. One look into the faces of her people would give you that message more clearly than a thousand words spoken from this platform. While the food situation is greatly improved, it is still terribly serious in some areas, and will get much more serious in some areas, and will get much more serious in late winter and early spring. Though the diet varies considerably from country to country, millions of Europeans in the cities are getting only about half the calories which the average American gets. The diets of many of them still represent slow starvation. I know that some Americans are poorly fed, but there aren't many families in America that have as little to eat as the average family in Europe.

There's an example I've used before which seems to best translate this situation into terms that get close to the pit of the listener's stomach. As compared to some areas of Europe, we are doing a pretty good job in our zone of Germany. Yet, here's the typical diet for one day in one part of the American zone which I visited.

Breakfast: 1 slice black bread
 1/2 pat butter
 1 cup black ersatz coffee

Dinner: 4 small potatoes
 1 very small square of meat, about the
 size of two pats of butter
 1 bowl flour soup

Supper: 1 slice black bread
 1/2 pat butter or cheese
 1 bowl cereal (no milk or sugar).

That's a terribly slim diet. And it remains practically the same day after day. Though farmers and those city people who have space for a garden are able to do better than this, many of them are still terribly undernourished.

Or look at the picture of the American occupied zone of Germany another way. That zone is already back to eighty percent of its prewar food production. And that seems like a good record. But before the war this area produced only sixty percent of its food needs. It was a food importing area. So that means today it is only producing forty-eight percent of its prewar food needs. Notice I accented prewar needs. Today its population is about one-third greater than prewar. So beginning with the encouraging picture of an area back to eighty percent of prewar production, you wind up with the discouraging fact that the area is now producing only about thirty-five percent of the food needed for its present population.

And the surplus producing areas of Europe are not yet able to export much of any food. The German area which Poland took over accounted for over twenty-five percent of Germany's prewar food production. The Germans have left that area to a major extent, but the Poles have not yet put into cultivation. Great stretches of it are practically uninhabited. The Western Ukraine is another traditionally food exporting area. But between the scorched earth policy of the retreating Soviet armies and the havoc wreaked by the Germans, that area is still far from normal production. Rumania is another food exporter. But Rumania has just suffered one of the worst droughts in its history. With their feed crop a failure, and little which they could bring in, the farmers were forced to sell off much of their livestock. The marketing was so chaotic that cattle sometimes sold for as little as a cent a pound. When I was there the drought and abnormally high temperatures had ruined the corn crop. I was in Bucharest on August 19 and the temperature stood at 122 degrees and there had been no rain for 92 days.

The havoc which the Germans wreaked on irrigation and drainage projects in countries like Italy and Greece and to the dikes in the low countries of Western Europe took millions of Europe's best acres out of cultivation. They are making progress on the rehabilitation of these projects. The progress which the people of Italy and Holland have made in reclaiming their land is very heartening. But all of these things take time. And furthermore, they take scarce machinery and manpower, and food to feed their people while the reclamation is going on.

On the question of manpower, we frequently forget that much of the German manpower in the productive age is still in prisoner of war camps. Hundreds of thousands of these people are being worked in Russia, Poland, France, and England. And many of the persons from all over Europe which the Germans held as prisoners of war or forced laborers have not yet been returned to their homes.

Inflation is a problem in most of Europe though it varies greatly from country to country. The story we heard after World War I about German women going shopping with a market basket full of practically worthless marks has been repeated in some parts of Europe. Inflation has not been caused so much by the printing of excess money as by the fact that there are no goods to buy. And when the goods are scarce the prices go up.

These problems which Europe faces are as intertwined as the wreckage of its bombed cities. For example, one of the nails that caused the loss of the horse's shoe is coal. They need coal to run the factories to produce machinery. They need it to run their nitrogen fixation plants and their phosphate processing plants. They need it to run their trains to distribute the farmer's food and bring him the supplies he uses. They need it to heat the people's homes and cook their food so that they can do a day's work. There's a similar shortage of gas. In some of the German cities which I visited, the gas would be turned on for only thirty minutes during the day. They had to do all their cooking during that time and they had no heat in their homes except during that thirty minutes.

So fuel is one of the big bottlenecks. The British attempted to step up coal production in the zone of Germany which they occupy by serving extra food to the miners while they were in the mines. To their surprise the expected increase in production did not materialize. Investigation showed that the miners were not eating the food, but were saving it to take to their families. So they had to give them a second food increase and include some for their families before coal production picked up.

So you have a vicious circle, and it always seems to get back to food. Food is the first subject of interest to practically everybody in Europe. Combine all the conversation that takes place in this country on the weather, your children, and what the neighbors are doing and you have the place of food in the European conversation. But it isn't just light conversation. It's deadly serious. Can you imagine leading citizens like doctors or shop managers devoting much of their thought and energy to finding food for their families? That is what is happening in many areas. They know that regardless of how hard they try they won't get enough. One of the most vivid memories which I brought back was an event that happened in Cologne, Germany. We were looking at the beautiful cathedral for which that city is noted. Somehow it had escaped major damage, though all the buildings around it had been leveled. There in front of the cathedral was a group of boys, one of which had gotten hold of a loaf of bread. The others were tearing away handfuls of the bread and devouring it -- more in the manner of animals than of human beings.

Europe's people first need food from outside before they can get their economy going to produce sufficient food at home. They also need seed and fertilizer and machinery. They don't have enough of the simplest tools like hoes and rakes. It is not uncommon to see grain being cut with a homemade scythe and picked up by hand. Nor for that matter is it uncommon in some areas for human beings to pull a plow. We even saw one case where a woman was pulling one side of a plow and an ox the other.

We have already furnished much food to Europe. They could not have made the progress they have -- in fact, many of them could not have lived -- without our food. One of the most touching experiences we encountered happened one day when we were in Athens, Greece, standing near the ruins of the Parthenon. An old Greek man came up and asked us in very broken English if we were Americans. When we said that we were, he looked at us with eyes brimming with appreciation and said in his halting speech: "America saved Greece."

This winter we must -- and will -- do all that we can to help them. We have already set an export target of four hundred million bushels of grain and grain products for 1946-47.

Some of this, however, will go to Asia and the Pacific. This goal of four hundred million bushels is practically the same as that exported in 1945-46. It will be necessary this year to place less emphasis on wheat and more on corn, oats, and other food grains. Wheat stocks at the beginning of this crop year were much lower than last year. But this shift, together with the bumper crop which we have just harvested, should allow us to meet the goal without any great strain on the American consumer. The major bottleneck is transportation, rather than available supplies. The railroads have not been able to furnish enough cars to get the grain to the seaport. That, combined with the maritime strikes, has put us considerably behind our target to date. Though the railroad transportation shortage promises to continue, there should be sufficient ocean shipping available to handle all the grain that reaches our ports.

As to how this food will be paid for, the answer is that UNRRA will pay for some of it and the recipient nations will pay for the rest. Though UNRRA ceases operations in Europe on December 31, and in Asia on March 31, it hopes to have food purchased and started in transit to the nations it served before that time. Much of the UNRRA purchased food, of course, will not be delivered to the recipient countries until some months after the organization has ceased to function.

So getting back to the question of where we can find a market for our increased production, the answer for this year is that Europe and the other war-devastated areas will take most of the grain we can spare. Next year Europe will again need large quantities of food from us, though if weather is favorable her needs will be considerably smaller than this year.

Most countries of Europe will soon move into a "middle" of transition period, when it will be necessary for them to cut down their food imports from us. Every one of the countries I visited is short of dollars with which to pay for food imports from the United States. Now when your people are starving you will use all your dollars, if necessary, to buy food. But as soon as the people get on their feet the countries will want other imports to get their economy going. They know that the only way they can continue to have dollars is to get their industries operating so they will have something to sell us. To get their industries going, most of them need to use every dollar at their disposal to buy machinery or raw materials.

England is already in this middle stage. England actually is worse off for food now than during the war -- but, oddly, it's a self-imposed restriction. England is deliberately going short on food. All of the people know why -- I talked to taxi drivers and laborers, barbers, and dock hands -- and they all know that it's to save credits for use in rehabilitating commerce. Every time England doesn't buy a shipload of food, she has that much more money to buy raw materials to manufacture and sell in world trade. Her belt-tightening, she feels, is a temporary thing -- trade must come first, the food will come later. I must admit that I admire the British tremendously for this action.

The lesson for us, I think, is that other industrial countries of Europe will soon be following the British pattern. Consequently, in the next few years they may not be willing to buy as much food as their great need might lead us to expect.

The fact that food purchased in this country by war devastated areas of the world will taper off in this manner, rather than stop abruptly, should be a godsend to American agriculture -- since it gives us time to work out the necessary adjustments. But we can't ignore the fact that it will taper off.

So much for the intermediate picture. How about the long-time European market for American agricultural products?

As you move further into the future, of course, you run into greater intangibles.

If we are going to face the future realistically we must admit that there are factors which suggest a not too rosy long-time outlook. Since the turn of the century our agricultural exports to Europe have been declining. In fact, our total exports to all countries have been declining. In the last years of the 19th Century we were exporting tremendous quantities of agricultural products -- wheat, corn, cotton, tobacco, cattle, beef, pork, lard, and numerous other products. The fact was, we were an under-populated frontier nation with endless acres of cheap fertile land and had not yet become a great industrial nation. So we exported our soil fertility in exchange for needed manufactured goods from Europe. When the land frontier played out in this country it still existed across the border in Canada and in Australia. A big land frontier still exists in South America. In the meantime, we have become the industrial center of the world. As a nation becomes more industrialized the historical tendency is for its agricultural exports to drop. Can we compete, and do we want to compete with land frontiers like those in Argentina and Brazil?

A second factor which clouds the long-time export picture is our price support policy. In the years ahead we can reasonably expect the world price of certain agricultural commodities to fall below our parity price or even 90 percent of parity. If that happens, and we hold our prices up, it will be difficult for us to sell in the foreign market without having the government pay the difference between the domestic price and the world price.

Some of our commodities can probably compete at world prices. We seem to have a special advantage in producing some types of tobacco, for example, which allows our producers to hold on to a good share of that market. Some of our wheat farmers can produce efficiently enough to compete at the world price, but others pretty certainly cannot. The present mechanization which is taking place in cotton production may bring changes in the competitive position of that crop. Our industrial ability may continue to give us an advantage in the production of certain processed foods.

I don't know how this total picture shapes up, but I do want us to season our idealism with some realistic price analyses.

Still another factor clouding the long-time picture in Europe is the tremendous fear which those peoples have of another war. You run into it on every hand. All through Western Europe, particularly the low countries, you find that the people feel that war is inevitable and that their land will again be a battlefield. I don't know how many young men in this area told me that they would like nothing better than to get their families out -- particularly if they could get them to the United States.

How does this affect our potential food market over there? Very simply. As long as they expect war every country in Europe -- no matter how small -- is going to try to be self-sufficient in food production. It happened that way after the first World War. Germany was a good market for our pork and lard until international trade began to break down. When the Germans started making the country self-sufficient we lost this market. The same thing happened to our markets in Italy and France. In 1928 the tariffs on wheat in Germany, Italy, and France were thirty-two cents, thirty-nine cents, and thirty-seven cents per bushel respectively. By 1931 they had been raised to one dollar and sixty-two cents, one dollar and six cents, and eighty-five cents respectively. Recently I was talking to a member of the French delegation to the Food and Agriculture Commission which is currently meeting in Washington. I mentioned how costly it had been to France and to the United States to have France become self-sufficient in wheat production. It cost her much more to raise the wheat than it did to get it from us. And it cost us a very good market. He readily admitted the truth of what I said, but retorted with the question: When you are faced with the strong prospects of another war, what other alternative do you have? I had no answer to give him, other than that in the future we must all work to remove that threat of war.

Leaving for a moment the outlook for food exports to Europe, there is one aspect of the European picture which looks quite bright for American farmers. Europe will need large quantities of our industrial products for many years. And with a healthy international economy they will buy them. If she buys the products of our factories that means that many more food dollars among our city population here at home. And if you are only interested in farm income, extra food dollars at home mean as much or more to you than extra food dollars abroad. I could make a whole speech on this need for industrial products and what it can mean to our farmers, but I know you are familiar with its ramifications. The chief point which I want to make on it is that this need exists even greater than ever before. Europe can get her agriculture going much faster than she can rebuild her bombed-out factories.

But whether we hope to sell her agricultural products or industrial products, Europe cannot buy unless she can find something to sell us. Europe is heavily in debt to us and is virtually bankrupt of dollar exchange. For her to sell to us she must have two things: First, the products themselves; and second, a willingness on our part to buy them. While we were in Munich we were shown a whole building full of sample goods which Germany is now able to produce to some extent. There were items of pottery, wood, leather, textiles. Much of this was of fine quality and it included numerous items which are still very scarce in this country.

But this was only an exhibit of samples. Europe still needs help from some where in getting her productive machinery geared up. Until she can get it geared up she will be a subject for charity rather than a prosperous customer.

Possibly the plight of Europe is best illustrated by a story told by a Catholic priest in Bremen. One night during the war an area of Bremen which included his church was heavily bombed. The next morning he went down to see what help he could give his parishioners. He arrived to find a lot of buildings in the area destroyed. He saw the front wall of one house still standing and a woman looking out through the frame of one window opening. As he approached he heard her say: "Oh, here comes the Father. I can't let him see me like this. What shall I do? Tell him that I'm out?" But turning and realizing that there was no place where she could hide, she added, "But I'm not in either. Where the hell am I?" And that's the way a lot of people in Europe feel today. Where those people will be tomorrow depends to a good extent on the understanding and help which she gets from us.

We are not alone in working on these long-time problems. One of my assignments while in Europe was to serve as head of the American Delegation to the United Nations Food and Agriculture Conference which met at Copenhagen, Denmark. Forty-two nations sent their top representatives there to work out plans for attacking the long-range food problems of the world. Our delegation included representatives of farm groups and the Congress, as well as the State and Agriculture Departments. Ray Ogg was there from the Farm Bureau and Cliff Hope, who spoke to you yesterday, was there from the House of Representatives. Both contributed invaluable services.

That conference set forth a twofold objective, which was unanimously approved by the national representatives. That objective is, first, to raise the diets of the people of the world to a better health standard; and second, to stabilize agricultural prices at levels fair to both producers and consumers. The few words in that objective pack a tremendous lot of implications. Their realization can, over the years, spell the difference between misery and happiness for millions of people over the world.

The Copenhagen conference appointed a commission of some sixteen national representatives to meet in Washington in October to work out plans for achieving these objectives. Some eighteen additional nations indicated their keen interest in this work by sending official observers. That Commission is still in session, and it has been my honor to represent your government on it.

While this conference is going on in Washington another United Nations conference is being held in London. The London Conference has the task of doing the spade work toward setting up an International Trade Organization which will work toward removing trade barriers and encouraging the movement of all goods between nations. You know also of the work already being done by the International Bank and the Stabilization Fund which attack other aspects of the trade problem.

In summary, the situation is this: We have the capacity to produce. Farmers of certain other countries such as Canada and Australia also have the capacity to produce beyond their country's needs. People in Europe and Asia need this food and are willing to work to pay for it. The common conscience of mankind will not let us give up until this problem is licked. International conferences are studying this problem in Washington and London. The representatives at these conferences are men of determination and vision. One cannot listen to their deliberations without receiving a rejuvenated hope for the future. But the obstacles are great. They demand that we go back and reconsider our beliefs and policies in light of this question: "What kind of a world do we want to build, and what effect are our actions having on the international structure?" If organizations like the Farm Bureau and all other enlightened farmers will join with us in the study of these problems I am convinced that we can do much to make world peace and prosperity a reality in our day.